

**Minutes of the 5th Meeting of the
Energy Conservation Projects Vetting Subcommittee
held on 29 January 2010 at 3:00 p.m.**

Present

Mr. Man Mo-leung	(Chairman)
Mr. Chua Hoi-wai	
Mr. Edward Leung	
Mr. Alan Chow	
Ms Christine Fong	
Mr. Alfred Lee	
Mr. Wong Kam-sing	
Dr. Yau Wing-kwong	
Ms Betty Cheung	EPD
Miss Eunice Chan	EPD
Miss Katharine Choi	ENB
Mr. KF Cheung	EMSTF
Mr. Michael Wong	EMSTF
Mr. Ming Chan	EMSTF
Ms Vivien Mok	(Secretary)

Absent with Apologies

Mr. Reuben Chu	(Vice-chairman)
Prof. Chan Chak-keung	
Mr. Cheung Yan-hong	
Mr. Kendrew Leung	

Welcoming Remarks

The Chairman welcomed all Members to the fifth meeting of the Energy Conservation Fund (ECF) Energy Conservation Projects Vetting Subcommittee (ECPVSC) and especially welcomed Mr. KF Cheung and Mr. Ming Chan of the EMSTF who joined the meeting for the first time.

Agenda Item 1: Confirmation of the Minutes of the Last Meeting

2. The draft minutes of the last meeting held on 29 October 2009 were sent to Members on 28 December 2009. The minutes were endorsed without amendments.

Agenda Item 2: Matters Arising from the Minutes of the Last Meeting

**I) Funding Limit for Applications Involving More Than One Building under Buildings Energy Efficiency Funding Schemes (BEEFS)
(ECPVSC Paper 14/2009-10)**

3. Miss Katharine Choi briefed Members on Paper 14/2009-10 which proposed changes to the funding limits of the BEEFS for applications involving more than one building in view of the decision of the ECF Committee held on 10 December 2009 that the funding limit for each building under such applications should be the same as that of applications involving only a single building. The recommendations were appended below-

- (i) For those ancillary facilities that in itself could be regarded as a residential/commercial/industrial building, it should be counted as an individual building.
 - (ii) For those ancillary facilities that physically form part of the building which were eligible for funding under the BEEFS, the funding limit for that building should also cover the ancillary facilities.
 - (iii) For those ancillary facilities that physically did not form part of the buildings eligible for funding under the BEEFS, a funding limit of \$500,000 for the Energy Efficiency Project (EEP) and \$150,000 for the Energy-cum-carbon Audit (ECA) should be imposed on the total amount of funding granted for all these facilities under each application.
4. After deliberation, Members supported the recommendations as set out in the Paper.

II) Funding Limit for Solar Film

5. Miss Eunice Chan reported that with reference to the funding cap set by the ECF Environmental Education and Community Action Projects Subcommittee and comment from the EMSTF, the funding limit for solar film was proposed to be set at \$50/sq ft.

III) Lifting of Requirement for Section 88 of the Inland Revenue Ordinance for Energy Conservation Education Programme under Energy Conservation Projects for Non-government Organizations (NGOs) (ECPVSC Paper 15/2009-10)

6. Miss Eunice Chan briefed Members on Paper 15/2009-10. In order to standardize the eligibility for applications for education projects received under the ECF and to encourage more education programme on energy conservation, Members' support was sought for lifting the requirement of tax exemption status granted by the Commissioner of Inland Revenue under Section 88 of the Inland Revenue Ordinance for applicant organizations of the energy conservation education programme.

7. After deliberation, Members supported to lift the requirement of tax exemption status for energy conservation education programme while this requirement would remain unchanged for NGOs seeking ECF funding support for energy-cum-carbon audits and energy improvement works.

IV) Pilot Tripartite Scheme on Energy Saving

8. Miss Eunice Chan reported that the energy-cum-carbon audits conducted by the two electrical companies for 20 NGOs had been completed. The NGOs were welcome to apply for ECF funding to implement the recommendations in the audit reports (e.g. upgrading to energy saving installations). The Hong Kong Council of Social Service (HKCSS) would assist in introducing the energy conservation projects funding scheme to the NGOs. A seminar to disseminate the audit findings would be organized in due course.

9. In response to Mr. Alan Chow's comment on the conflicting role of the HKCSS of being both the organizer and recipient, Ms Betty Cheung stated that although the HKCSS

assisted in coordinating this tripartite scheme, the 20 NGOs selected for conducting energy-cum-carbon audit were decided by a working group comprising the representatives of the two electricity companies.

10. Mr. Edward Leung also agreed that since the HKCSS was an eligible NGO, it should not be preempted from joining the scheme.

Agenda Item 3: New Applications

I) Applications under BEEFS (ECPVSC Paper 16/2009-10)

11. Mr. Michael Wong briefed Members on Paper 16/2009-10 which aimed to seek their agreement to approve 91 funding applications under the BEEFS including 15 applications for ECA and 76 for EEP costing under \$2 millions. Since the circulation of ECPVSC Paper 13/2009-10 on 4 December 2009, 30 funding applications were recommended not to be accepted due to inadequate information received for assessment while 9 were not eligible applications which had been rejected. He also highlighted that the recommended budget of project EEP-0316 from the Incorporated Owners of Mirador Mansion was lower than the proposed budget as their estimated costs on T5 lightings, LED exit lights and appointment of a qualified service provider (QSP) were considered higher than normal when comparing with similar cases. The proposed appointment of a QSP in project EEP-0356 from the Incorporated Owners of Hiu Lai Court had also not been recommended as the QSP was an existing staff of the property management company.

12. Mr. Edward Leung was glad that the Incorporated Owners of Mirador Mansion had taken an initiative and submitted an application for EEP to improve its building installation.

13. After deliberation, Members approved 76 EEP applications and 15 ECA applications costing under \$2 millions.

(Post-meeting notes: The EMSTF amended the recommended funding of project EEP-0109 as stipulated in ECPVSC Paper 16/2009-10 to \$1,127,858 due to typo error. The total amount of funding sought was therefore adjusted to \$20,962,493.25 accordingly.)

II) Energy Conservation Projects for NGOs (ECPVSC Paper 17/2009-10)

14. Ms Vivien Mok briefed Members on Paper 17/2009-10 on 7 funding applications for the energy conservation projects for NGOs, including one for energy-cum-carbon audit, two for energy improvement works and the remaining for energy conservation education programme.

15. Mr. Alan Chow commented that as compared to similar projects previously approved by the Subcommittee with the same objective to promote energy saving to the elderly and disabled living in public estates, the project period of ECP-0006 submitted from the New Century Society Limited appeared to be long (i.e. 22 months), leading to substantial cost to employing a full-time registered social worker over this period. Mr. Chua Hoi-wai and Mr. Edward Leung viewed that the applicant organization of this project seemed not a Sham Shui Po-based NGO and was new to Members, and opined that more information should be sought from the applicant, especially its network in promoting this programme in the Sham

Shui Po district.

16. Members also discussed if funding limit should be set on the monthly salary for the appointment of registered social workers. After deliberation, as the workload of registered social workers in various education projects might be different, Members agreed not to impose a funding cap on the salary. This item would be scrutinized on a case-by-case basis.

17. Dr. Yau Wing-kwong and Ms Christine Fong raised concern over the practicality of implementing the project ECP-0032 submitted from the Green Sense on promoting less air conditioning in Hong Kong. Mr. Wong Kam-sing viewed that the project was able to pinpoint one of the major sources of electricity consumption in Hong Kong. After some deliberation, the Chairman concluded Members' views that the proposal should be more focused instead of covering a wide range of targets, and the activities should aim to bring out a positive and encouraging message, with a view to helping the venue owners to reduce energy consumption, rather than simply revealing the phenomenon of unnecessary use of air-conditioning.

18. In view of the questions and concerns raised by Members, the funding requests of projects ECP-0006 and ECP-0032 would be further considered upon provision of more supplementary information to justify their applications. The other 5 funding applications i.e. ECP-0023, ECP-0027, ECP-0028, ECP-0031 and ECP-0033) with a total budget of \$788,122 were approved by Members.

III) ECF Collaboration Scheme with District Councils (ECPVSC Paper 18/2009-10)

19. Since Dr. Yau Wing-kwong was the Chief Executive Officer of the applicant organization of the project DCP-0004, the Chairman invited Dr. Yau to withdraw from the meeting during the discussion on this item.

20. Ms Vivien Mok briefed Members on Paper 18/2009-10 on a funding application for the energy conservation project with educational elements under the ECF Collaboration Scheme with District Councils. In sum, the project namely "LOHAS TAIPO-An Energy Wise and Carbon Reduction District" submitted by the Tai Po Environmental Association had been endorsed by the Tai Po District Council. The project aimed to initiate individuals and families (mainly members of NGOs and student in the Tai Po District) to join in action on carbon reduction and energy savings.

21. In response to Mr. Alfred Lee's enquiry, Ms Betty Cheung replied that funding limit for souvenir items had not been imposed in this Subcommittee. However, when considering funding request for souvenirs, the Secretariat would make reference with other Subcommittees under the ECF to ensure consistency. Ms Cheung highlighted that the energy-saving device which would be distributed to participants who had completed the assessment form satisfactorily as proposed in the project aimed to reinforce participants' energy saving commitment and the unit price was considered reasonable. After deliberation, Members approved the funding application of project DCP004 with a total project cost of \$1,606,220.

Agenda Item 4 : Any Other Business

**I) Revision to Guides to Application and Application Form
(ECPVSC Paper 19/2009-10)**

22. Miss Katharine Choi briefed Members on Paper 19/2009-10 on revision to guides to application and application forms of the BEEFS. In sum, after launching the schemes on 8 April 2009, there had been a number of new developments that should be duly reflected in the guides to application and application forms of ECA and EEP including i) to accept the reimbursement of funds to holder of bank accounts opened under Section 3 of Schedule 7 of the Building Management Ordinance (Cap.344) as authorized by the owners' corporation, owners' organization or residents' organization; ii) to revise the funding limits for application involving more than one building; and iii) to include ICAC's recommendations in the BEEFS study to add a warning that grantees are liable to prosecution for making a false declaration in the declaration form. The guide to application for EEP and its application form had been revised accordingly for Members' consideration. Similar revision would be made to the relevant documents of ECA.

23. Members endorsed the revisions proposed for the guides to application and application forms.

II) Brief on ICAC Study Report on BEEFS

24. Miss Katharine Choi reported that ICAC assignment report on the BEEFS had been completed. Recommendations were proposed and the implementation plan was as follows –

- i) The schemes and the enquiry telephone number of the EMSTF would be publicized through Announcements in Public Interests and briefings to enhance public awareness.
- ii) QSP who had committed misconduct in relation to the schemes would be referred to relevant professional body for follow-up with immediate effect.
- iii) Guidelines would be devised for EMSD staff to follow the existing procedures and to write to the applicant asking for the additional information required after each inspection.
- iv) The brand and model of the energy saving products were not allowed to state in the application and tender documents in accordance with the government tendering procedures. Relevant market prices would be updated regularly.
- v) The reference price list would be expanded to include at least five brands/models for each type of energy saving product if available. Guidelines would be devised for officers for price assessment.
- vi) Manpower resources of the EMSTF had been strengthened to cope with current timeframe set in the application guidelines. The EMSTF considered the current practice to review the out-of-turn cases weekly by the Senior Engineer in the form of the weekly progress update and the report in monthly meeting was adequate.
- vii) Guidelines would be devised for the post-approval monitoring works including the request to the grantee for the schedule of works for the random site inspection check.
- viii) Applicants were obliged to comply with the procurement requirements in line with the Building Management Ordinance. It was also the duty of the QSP to ensure such compliance would be met.
- ix) Guideline would be devised to assess the works variation proposed by the grantees.
- x) A warning that grantees were liable to prosecution for making a false declaration would be included into the revised application form.

- xi) The Environment Bureau would collaborate with the Hong Kong Housing Society and Urban Renewal Authority to develop a checking system for identifying grantees who had applied for or had been granted subsidy for the same items under different schemes.

III) Suggestion from the Hong Kong Institution of Engineers (HKIE)

25. Miss Katharine Choi stated that under the current guideline, audit reports and subsequent reports of ECA were required to be certified by a QSP who had attended seminar/training related to this scheme. The HKIE suggested that as a number of these related courses had been held, engineers in the related disciplines should be familiar with the approach in conducting ECA and the requirement for attending training to become a QSP should be reviewed.

26. After deliberation, in order to maintain the current good standard of ECA, Members decided that the requirement for attending training and seminar remained unchanged.

IV) Award of Contract and Commencement of Work before Approval

27. Mr. Michael Wong stated that during pre-approval site visits, the EMSTF revealed that contract of some cases had already been awarded or work had been commenced before the approval of the Subcommittee. Members' view was sought for rejecting these applications.

28. Members supported the EMSTF to reject those applications which contract had been awarded or work had been commenced before the approval. .

V) Amendment to Fund Requested for Approved Case

29. Mr. Michael Wong stated that due to typo error, the amount of fund requested for project ECA-0181 approved at previous meeting should be \$5,000.

VI) New Application ECP-0035 "Towards Low Carbon ICT- a Programme to Reduce Carbon Footprint"

30. Miss Eunice Chan reported that a new application from the Internet Professional Association Limited was received under the NGO scheme. The proposal was being circulated amongst the relevant government departments. Members' view on this application would be sought in due course.

VII) Situation Report for Approved Projects of BEEFS

31. Mr. Wong Kam-sing suggested that a report on the BEEFS summarizing details such as estimated amount of carbon reduction, type of buildings and total carbon emission of buildings could be provided for Members' reference.

32. The EMSTF would provide this report to Members in due course.

Agenda Item 5: Date of Next Meeting

33. Members noted that the next meeting would normally be held around three months

from now. The Secretariat would inform Members of the date of the next meeting in due course.

34. The meeting was adjourned at 5:00 p.m..

**Secretariat, ECF Energy Conservation Projects Vetting Sub-committee
March 2010**